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TO RUEHC/SECSTATE WASHDC PRIORITY 1545
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 2487
RUEHKO/AMEMBASSY TOKYO 2562
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C O N F I D E N T I A L SECTION 01 OF 02 KUALA LUMPUR 000762

SIPDIS

DEPT FOR EAP/MTS

E.O. 12958: DECL: 08/27/2018 TAGS: PGOV PHUM PINR KDEM MY SUBJECT: ANWAR - NEXT STEPS

REF: A. KL 759 ANWAR WINS RESOUNDING VICTORY

1B. KL 753 INDICATORS ALL POINT TO ANWAR VICTORY
1C. KL 743 GOM PLAYING HARDBALL

Classified By: ACTING POLITICAL SECTION CHIEF W. GARY GRAY, REASON 1.4 (B AND D).

- 11. (C) Summary. In the wake of Anwar Ibrahim,s decisive victory in the Permatang Pauh by-election yesterday, the Speaker of Parliament has reversed himself and now says he will swear in the newly-elected MP on August 28. This will enable the soon-to-be official opposition leader to confront PM Abdullah directly when the PM presents the government,s budget the following day. In the meantime the ruling coalition is rushing to pass legislation on DNA evidence before the current parliamentary session ends on August 29. Such a new law potentially could lead to prosecution of Anwar for refusing to provide DNA evidence in regard to the ongoing sodomy case against him. The BN,s resounding defeat in the by-election is just starting to reverberate through the ruling alliance. End Summary.
- (C) At the opening of the August 27 parliament session Speaker Pandikar Amin Mulia announced his plans to swear in Anwar Ibrahim on August 28 as a new MP. He reported that he already had received the required letter from the Election Commission informing him of the by-election results. During the final days of campaigning in Permatang Pauh, Anwar and his supporters had expressed great confidence that he would enter Parliament this week, even though Pandikar had said earlier that he would put off the swearing-in until some time in October. This is a possible indication that Pandikar, who previously has shown some signs of independence from the BN leadership that appointed him, may have arrived at some kind of accommodation with the opposition, a development that could spell more trouble for the BN. Conventional wisdom here has held that the Government would delay Anwar,s return to Parliament as long as possible, if for no other reason than to prevent him from being present as the new opposition leader when PM Abdullah presents the Government,s 2009 budget to Parliament on August 29.
- 13. (C) Possibly complicating Anwar's legal situation is the ruling coalition,s apparent effort to rush through legislation on DNA evidence before the current parliamentary session ends August 29. The bill as currently drafted would compel suspects to provide DNA evidence or face fines or jail time, and could potentially apply to Anwar,s ongoing sodomy case. While even some BN MPs reportedly have reservations about the legislation, it was scheduled second on the agenda for the August 27 session and could come up for a vote as early August 27 or 28. However, this legislation would then require approval by the upper house of parliament (Senate), now scheduled to convene only on December 1. Any move to

call the upper house into session before then would be a strong indication that the Government was anxious to use the DNA law against Anwar.

- 14. (C) The outcome in Permatang Pauh (Ref A) is just beginning to reverberate through the ruling alliance. The major question is how this development will affect the leadership struggle within the BN. Abdullah,s main critics within UMNO, including Tengku Razaleigh and Mukhriz Mahathir, have taken advantage of the by-election results to renew their calls for the PM to step down. Other commentators argue that DPM Najib, who as BN Deputy President was responsible for managing the coalition,s uninspired campaign in Permatang Pauh, must also take some responsibility. Najib and other BN spokesmen are attempting to downplay the results, emphasizing that Anwar was expected to win this contest on his own turf all along, and that the Permatang Pauh results have little relevance for the national level political landscape.
- 15. (C) Najib himself has argued that Anwar,s convincing win proved that the Government did not try to manipulate the vote and that Malaysia has a truly democratic system. Pro-opposition commentators have praised the Permatang Pauh voters for demonstrating that the Malaysian electorate is not so easily manipulated by race-based campaign tactics. It remains to be seen to what degree the BN,s Malay-centric racially tinged attacks on Anwar may have antagonized the non-Malay parties in the ruling coalition. On August 27 the MCA (Malaysia Chinese Association) youth wing demanded that an UMNO division chief apologize for alleged anti-Chinese remarks during the Permatang Pauh campaign.

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16. (C) Comment. It now appears certain, barring any truly drastic, unprecedented moves by the Government, that Anwar will return to the Parliament and assume a much more visible role as the official as well as de facto leader of the opposition. While Anwar revealed his political platform only in vague terms in the by-election campaign, the coming days should provide some indications of the positions he will take in Parliament and down the road. The resumption of Anwar,s sodomy case in court on September 10 (Ref B) obviously continues to loom over his political comeback.

KEITH